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E.O. 12958: DECL: 05/31/2017  
TAGS: [KSCA](#) [PARM](#) [PREL](#) [ETTC](#) [GM](#)  
SUBJECT: (S) GERMANY ALERTED TO RECENT PROCUREMENT  
ACTIVITIES BY THE SWEDISH FIRM MAHACO

REF: A. STATE 69524  
[1](#)B. 06 STATE 158596  
[1](#)C. 06 BERLIN 2846

Classified By: Minister-Counselor for Economic Affairs Robert F. Cekuta  
, for reasons 1.4 (b) and (d).

[1](#)1. (S) Global Affairs officer delivered demarche contained in  
ref to Markus Klinger, Deputy Director of the German MFA's  
Export Control Division, and Ina Schuett, desk officer, May  
[1](#)23. Klinger agreed to pass the information concerning  
Mahaco's brokering of a shipment of pressure transmitters  
from Germany's WIKA Alexander Wiegand to Iran's Mizan Machine  
Manufacturing Group to the German federal inter-agency export  
control group for immediate investigation.

[1](#)2. (S) Klinger said the German Government is aware of  
Mahaco's history of procurement activities on behalf of  
Iran's WMD programs. He noted Swedish authorities had  
consulted the German Federal Economic and Export Licensing  
Agency (BAFA) in 2006 concerning a license application from  
Mahaco to export certain dual-use items to Iran. Klinger  
would not elaborate on the items or the outcome of the  
Swedish Government's decision, but noted BAFA had recommended  
denial. The German Customs Administration is also aware of  
Mahaco's activities and has the authority to stop shipments  
of German goods to Mahaco, Klinger added. In answer to  
Emboff's question about whether German Customs authorities  
would stop a shipment of items already en route to Mahaco,  
Klinger said yes, if the items were being shipped in  
violation of UNSC sanctions on Iran. The German exporter  
would not even be able to claim compensation for impounded  
items if they were being exported in circumvention of UNSC  
sanctions, Klinger said. Nevertheless, Klinger said, nothing  
could be established until German authorities had  
investigated the case. Klinger said the German Government  
will report the results of its investigation to the USG.  
Embassy will remain in contact with the German authorities  
and report further substantive responses.  
TIMKEN JR